

NEWS

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FOR IMMEDIATE RELEASE
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Gloucester Township Man Sentenced to 39 Months in Federal Prison
for Fraudulent use of Credit Card Account Numbers and Bank Fraud

(More)

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CAMDEN – A Gloucester Township man was sentenced today to 39 months in prison for fraudulent use of other individuals' credit card account numbers, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Joseph E. Irenas also ordered Jason Hughes, 23, to pay \$38,520 in restitution.

On July 6, 2006, Hughes pleaded guilty before Judge Irenas to two-count Information charging possession of unauthorized access devices and bank fraud. Hughes admitted to possessing 15 or more unauthorized access devices and attempting to execute a scheme to defraud a financial institution, namely Commerce Bank, N.A.

At his plea hearing, Hughes admitted, with respect to Count One, that between July 2005 and January 2006, he was an employee of Lakes Appliance & T.V. ("Lakes Appliance") in Gibbsboro. Hughes admitted that he extracted customer credit card account numbers from Lakes Appliance's accounting software, and downloaded the data into his own personal computer without permission of Lakes Appliance or the credit card holders.

During this time period, Hughes admitted he also owned and controlled SkieNET, a company that resold computer and gaming equipment. As such, SkieNET had a merchant account with Applied Merchant Systems, located in Oxnard, Calif., which enabled Hughes to charge a customer's credit card and receive payment from the customer's credit card company and/or issuing bank, he admitted. Hughes admitted that he charged approximately 100 of the credit card account numbers that he obtained from Lakes Appliance through his SkieNET merchant account, without the permission of the credit card holders.

With respect to Count Two of the Information, Hughes admitted that in November 2005 he maintained a Visa Check Card issued by Commerce Bank in connection with his checking account. On Nov. 18, 2005, Hughes charged his Visa Check Card in the amount of \$4,500, via his SkieNET merchant account, he admitted. On the same day, he charged his Visa Check Card an additional \$5,500 via the SkieNET merchant account, Hughes admitted.

Hughes admitted that on Nov. 23, 2005, he went to a Commerce Bank branch in Voorhees and stated that he previously used SkieNET as his web hosting provider, that he previously cancelled all dealings with SkieNET, and that he had no idea how or why SkieNET was debiting his Visa Check Card. Hughes requested that Commerce Bank credit his checking account in the amount of \$10,000, and as a result, Commerce Bank did credit his checking account.

After processing the credit, Commerce Bank issued Hughes a new Visa Check Card. Prior to Nov. 18, 2005, Hughes admitted that he obtained the administration information for Cosmos Online Inc.'s computer network, via the internet. With this information, Hughes admitted he was able to gain access to Cosmos Online Inc.'s computer network, which enabled him to generate false debits and credits on credit cards, without the company's knowledge. On Nov. 23, 2005, Hughes used Cosmos Online Inc.'s computer network to charge his new Visa Check Card in the amount of \$29,510, he admitted. Hughes admitted that on Nov. 25, 2005, he went to a Commerce Bank branch and stated that the Cosmos Online, Inc. charge was an unauthorized charge and requested a credit to his checking account in that amount. As a result, Commerce Bank credited his checking account in the amount of \$29,510.

In determining the sentence, Judge Irenas consulted the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, was not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the U.S. Secret Service, under the direction of Special Agent in Charge Robert Slama, for investigation of the case.

The government is represented by Assistant U.S. Attorney Deborah Prisinzano Mikkelsen, of the Criminal Division in Camden.

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Defense Attorney: Lisa Evans Lewis, Esq. Assistant Federal Public Defender